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Comm. Amdt. _____

Amendment No. 1 to SB2123

**Cohen
Signature of Sponsor**

AMEND Senate Bill No. 2123*

House Bill No. 2330

by deleting Sections 1 through 3 of the printed bill in their entirety and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 5-8-301(b), is amended by adding the following as a new subdivision (6) and by redesignating the existing subdivision accordingly:

(6) Nonconvertible debt securities of the following issuers provided such securities are rated in the highest category by at least two (2) nationally recognized rating services:

- (A) The federal home loan bank;
- (B) The federal national mortgage association;
- (C) The federal farm credit bank; and
- (D) The student loan marketing association; and

SECTION 2. Tennessee Code Annotated, Section 5-8-301(d), is amended by adding the following as a new subdivision (2) and by redesignating the existing subdivision accordingly:

(2) In addition to the investments authorized in subsection (a), those counties having a population of not less than twenty thousand (20,000) nor more than one hundred fifty thousand (150,000) according to the 1990 federal census or any subsequent federal census may also permit investment of idle funds in prime commercial paper in accordance with the following:

- (A) Such paper shall be rated in the highest category by at least two (2) commercial paper rating services; and

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(B) The paper shall have a remaining maturity of ninety (90) days
or less.

SECTION 3. Tennessee Code Annotated, Section 5-8-301(d), is further amended by deleting the words "Investment in such instruments" from the current subdivision (2) and by substituting instead the words "Investment in the instruments set forth in this subsection (d)".

SECTION 4. Tennessee Code Annotated, Section 6-56-106(a)(2), is amended by deleting the words "Nonconvertible debt securities of the following issuers" and by substituting instead the words "Nonconvertible debt securities of the following issuers provided such securities are rated in the highest category by at least two (2) nationally recognized rating services".

SECTION 5. Tennessee Code Annotated, Section 6-56-106(a)(8), is amended by adding the following as a new subitem (B) and by redesignating the existing subitem accordingly:

(B) Municipalities having a population of not less than twenty thousand (20,000) nor more than one hundred fifty thousand (150,000) according to the 1990 federal census or any subsequent federal census may also permit investment of idle funds in prime commercial paper in accordance with the following:

(i) Such paper shall be rated in the highest category by at least two (2) commercial paper rating services; and

(ii) The paper shall have a remaining maturity of ninety (90) days or less.

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SECTION 6. Tennessee Code Annotated, Section 6-56-106(a)(8), is further amended by deleting the words "Investment in such instruments" from the current subitem (B) and by substituting instead the words "Investment in the instruments set forth in this subdivision (a)(8)".

SECTION 7. This act shall take effect on July 1, 2000, the public welfare requiring it.